

Organizational, Management and Control Model according to Legislative Decree No. 231/2001



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*Approved by the Board of Directors
with resolution dated 15th December 2023*

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Introduction

Definitions

The following terminologies and definitions reported by the Laws and the Reference Regulations, are used in order to develop and implement a system based on responsibilities, documents and security practices, proceed to a systematic risk assessment, attend for their reduction to "acceptable" levels and to periodically review the implementation of intervention plans.

- **Activities at risk of crime:** operation or act that exposes the Company to the risk of committing one of the crimes contemplated by the Decree.
- **Audit:** systematic and documented verification process, internal and / or external, to know and evaluate with objective evidence whether the prevention management system, as well as the Health and Safety of the Organization, is in conformity with the criteria defined by the Body itself, with consequent verbalization of the results to the Management.
- **Authority:** Judicial Authorities, Institutions, National and Foreign Public Administrations, Antitrust, Unit of Financial Information, Privacy Guarantor and other Italian and foreign Supervisory Authorities.
- **CdA:** Board of Directors;
- **Code of Ethics:** declaration of rights, duties (including moral) and internal / external responsibilities of all persons and bodies operating in the organization, aimed at affirming the values and behaviors recognized and shared in the company, a primary source of prevention and contrast to possible illegal acts pursuant to Legislative Decree 8th June, 2001, n. 231.
- **Society:** intended as a professionally organized economic activity for the purpose of production or exchange of goods or services and as a whole of the assets organized by its owner (entrepreneur) for the exercise of business activity. In this document, when the annotation "the Company" refers to the company "ISEF S.r.l."

- **D.lgs. 231/2001 or Decree:** Legislative Decree 8th June 2001, n. 231, containing the "Discipline of the administrative responsibility of legal entities, companies and associations also without legal personality, pursuant to art. 11 of the law of 29th September 2000, n. 300 ", published in the Official Gazette no. 140 of 19th June 2001 and subsequent amendments and additions.
- **D.lgs. 81/2008:** Legislative Decree 9th April 2008, n. 81, "Consolidated Law on Health and Safety at Work" in implementation of Article 1 of the Law of 3rd August 2007, n. 123 regarding the protection of health and safety in the workplace.
- **Recipients:** Members, Executives, Employees, Internal and External Collaborators (the latter to be understood both as individuals and as a company), Consultants and Business Partners, Customers, Control Bodies and all the Company's stakeholders.
- **Employees:** all those who have an employment relationship with the Authority, including managers.
- **Body:** ISEF S.r.l..
- **Accident:** event that leads to the occurrence of an accident, occupational disease, offense or which holds, in any case, the potential to cause injury / occupational disease or in any case a liability with respect to the Decree.
- **Injury / Occupational Disease:** event that can lead to death, illness, injury or other loss.
- **Guidelines:** the Confindustria Guidelines for the Organization build up, Management and Control Models pursuant to Legislative Decree no. 231/2001 provide associations and companies with methodological indications on how to prepare an organizational model suitable to prevent the commission of the offenses indicated in the Decree, allowing the Entity (under certain conditions) to exonerate from liability and sanctions annexed. The indications provided by the Guidelines require a subsequent adaptation by the companies. In fact, in order to be able to exercise its preventive effectiveness, each Organizational Model must be constructed having regard to the specific characteristics of the company to which it applies. The crime risk of each company is strictly dependent on the economic sector, the

organizational complexity - not just dimensional - of the company and the geographical area in which it operates

- **Continuous improvement:** process to achieve overall performance improvements in accordance with the organization's safety policy.
- **Model or MOGC:** "Organizational, Management and Control Model" suitable to prevent the predicate offenses, as required by articles 6 and 7 of Legislative Decree No. 231/2001.
- **Non-compliance:** any deviation from the rules, procedures, regulations, performance of the management and control system that can directly or indirectly produce hazards, thus injuries and illnesses to the person, damage to property, the environment of the workplace, legal liability or a combination of said elements.
- **Objective:** results in terms of "Health and Safety" performance and legality in general that an organization decides to pursue.
- **Supervisory body or SB:** body established by art. 6 of Legislative Decree 231/2001, with the task of supervising the functioning and observance of the Model of organization, management and control, as well as the updating of the same. Rights and duties will be explained subsequently.
- **P.A.:** national and community Public Administration, including the relative officials and the subjects in charge of public service.
- **Danger:** a source / situation with potential to cause damage in terms of human injury, disease, damage to property, damage to the workplace, liability arising from the Regulations or a combination of these elements.
- **Politics, Health and Safety:** Body's declaration regarding its intentions and principles in relation to the health and personal safety benefits and to all those who access the company premises; provides a framework for the activity and an address for the definition of objectives and targets in the field of security.
- **Prevention of risks:** use of processes (procedures), practices, materials or products to avoid, reduce or control risks to operators and the environment.

- **Sensitive process:** process in which the risk of commission of offenses occurs; these are the processes in which phases, sub-phases or activities could in principle be used to configure the conditions, the opportunities and / or the means for the commission of crimes, even in an instrumental way, for the concrete realization of the offense.
- **Procedures:** set of corporate procedures to regulate specific processes.
- **Crimes:** the so-called "predicate / catalog crimes" to which the provisions of Legislative Decree apply. 231/2001.
- **Safety Management System:** the part of the general management system that includes the organizational structure, the planning activities, the responsibilities, the practice, the procedures, the processes, the resources to process or implement, achieve, review and keep active the security policy.
- **Disciplinary System:** together with the sanctions applicable by the Company in the event of a violation of the Model (Annex D to the MOGC).
- **Apical subjects:** all the Members, the Directors and the holders of power delegations.
- **Organizational units or company functions:** functions / tasks concretely identified within the company organization, subdivided according to the activities performed and to their role in the organization chart; as described in the annex 1 "Corporate organization chart and job title".
- **Evaluation of risks:** the overall process of estimation by the Entity regarding the specific risk and its subsequent definition, which will divide between "acceptable", "possible" and "principal", preparing for those falling within the latter two categories of the specific Behavioral Procedures (Annex C to the MOGC).

A. THE REGULATORY FRAMEWORK

A.1 Introduction

The Legislative Decree 8th June 2001, n. 231 (hereinafter referred to as the "Decree") - issued in execution of the proxy contained in art. 11 of the Law of 29th September 2000, n. 300 - has introduced into Italian law the responsibility of the Entities (to be understood as companies, associations with or without legal personality, public economic bodies, private bodies concessionaires of a public service, consortia, etc., hereinafter generally "Entities") for administrative offenses related to a crime committed in the interest or for the benefit of the same by:

1. natural persons who perform functions of representation, administration or management of the Entity or of an organizational unit with financial and functional autonomy, as well as of persons who exercise, even de facto, the management and control of the same (so-called "Top subjects");
2. by persons subject to the management or supervision of one of the persons indicated above (so-called "subordinated subjects").

The Decree does not apply, however, to the State, to local public bodies, to non-economic public bodies, to bodies that perform functions of constitutional importance (eg political parties, trade unions) and to a number of other parties that perform public functions.

This is a responsibility which despite being defined as "administrative" by the institution and even entailing sanctions of this nature, presents the typical characteristics of criminal responsibility, since it mainly results in the creation of crimes (as well as administrative offenses of Law 18th April 2005, No. 62) and is ascertained through a criminal proceeding.

The responsibility of the Entity does not replace, but rather adds, to the personal responsibility of the individual who has materially realized the crime. Failure to comply with the regulations contained in the Decree may impose sanctions on the part of the Entity which may have a significant impact on the performance of their activities (see Section A.6). This extension of responsibility to the Entity, punished so severely by the Decree, is

framed within a logic aimed at identifying, on the part of the Entity, "organizational fault" (subjective criterion) on the part of the Jurisprudence.

The fault lies in the failure to prepare a suitable **231 System**, through the adoption of a specific **Organizational, Management and Control Model** able to guarantee the effective and efficient monitoring of the critical processes of the Body and, consequently, to avoid or in any case hinder the criminal offenses described below.

In particular, the Authorities may be held liable whenever the unlawful conduct listed in the Decree is implemented, implemented in their interest or advantage.

As regards the notion of "interest", it takes place whenever the illicit conduct is put in place with the exclusive intent to cause a benefit to society; likewise, the administrative responsibility lies with the latter whenever the perpetrator of the offense, even if he has not acted in order to benefit the Entity, has nevertheless imported an indirect advantage to the juridical person, whether of an economic or non-economic nature.

Otherwise, the exclusive advantage of those who carry out the illicit activity excludes the responsibility of the Entity.

As regards, instead, the requirement of territoriality, criminal conduct is significant regardless of whether it is implemented on the Italian territory or abroad.

A.2. The predicate offenses

The Entity can only be called to respond to the implementation of certain crimes and specific administrative offenses (so-called presumed crimes), identified by the Decree and its subsequent additions, as well as by the laws that expressly refer to the discipline of the Decree itself.

At the date of issue of the present revision of the Model, the list of predicate offenses is made up of the cases listed below.

- Undue receipt of disbursements, fraud against the State or a public body or for obtaining public disbursements and computer fraud to the detriment of the State or a public body (Article 24 of the Decree);
- Information crimes and unlawful data processing (Article 24-bis of the Decree);

- Organized crime offenses (Article 24-ter of the Decree);
- Concussion, undue induction to give or promise utility and corruption (Article 25 of the Decree);
- Counterfeiting in coins, public credit cards, revenue stamps and instruments or signs of recognition (Article 25-bis of the Decree);
- Crimes against industry and commerce (article 25-bis1 of the Decree);
- Corporate crimes (Article 25-ter of the Decree);
- Crimes for the purpose of terrorism or subversion of the democratic order (Article 25-quater of the Decree);
- Mutilation practices of female genital organs (article 25-quater1 of the Decree);
- Crimes against the individual personality (Article 25-quinquies of the Decree);
- Market abuse (Article 25-sexies of the Decree);
- Manslaughter or serious or very serious injuries committed with violations of the rules on the protection of health and safety at work (Article 25-septies of the Decree);
- Receipt, laundering and use of money, goods or benefits of illicit origin (Article 25-octies of the Decree);
- Crimes regarding the violation of copyright (Article 25-novies of the Decree);
- Induction not to make statements or to make false statements to the judicial authority (Article 25-decies of the Decree);
- Environmental crimes (article 25-undecies of the Decree);
- Employment of foreigners without a residence permit (Article 25-duodecies of the Decree);
- Racism and xenophobia crimes (article 25-terdecies of the Decree);
- Transnational crimes (Article 10 of Law 146/2006).

For a detailed description of each type of crime, please refer to Annex E "Predicate Crimes".

A.3. Method of accusation of Body's responsibility

The realization of one of the presumed crimes constitutes only one of the conditions for the applicability of the discipline dictated by the Decree.

In fact, there are additional conditions that regard the methods of accusation to the Entity of the offense and that, depending on their nature, can be divide into criteria of imputation of an objective and subjective nature.

The criteria of an **objective nature** require that:

- the crime has been committed by a person functionally linked to the Entity;
- the offense has been committed in the interest or for the benefit of the Entity.

The authors of the crime from which the responsibility of the Entity can derive can be of two types:

- representatives of the Entity, to whom is associated an overall basically responsibility of the Entity itself;
- subjects with a relationship of subordination, from which the responsibility of the Entity "through fault" arises.

In particular, the natural persons connected to the Entity's responsibility turn out to be both subjects with power of representation and / or administration, management and direction (so-called "subjects in top position") and the so-called "subordinates"; listing them by categories:

1. natural persons who perform functions of representation, administration or management of the same bodies or of an organizational unit with financial and functional autonomy;
2. natural persons who exercise, even de facto, the management and control of the same bodies;
3. subjects subject to the management and control of one of the above-mentioned subjects (so-called "subordinated subjects").

To the category of top managers belong legal representatives and administrators in general, but also those in charge of secondary offices as well as all the subjects delegated by the partners and / or by the legal representative to exercise management or management activities of the organization or offices detached.

The employees of the institution and all those who, by mandate or by contract, act in the name, on behalf or in the interest of the same, such as employees, para subordinates and consultants belong to the category of subordinated subjects.

For the emergence of the "liability from crime" it is then necessary that the fact has been committed in the interest or for the benefit of the Entity.

The criterion of interest presupposes that the author acts with the intent of favoring the Entity, even partially or indirectly, while the criterion of the advantage is reflected in a potential or effective favorable result deriving from the commission of the offense.

In particular, with regard to the existence of the objective requirement of interest or advantage, the Supreme Court has specified that the terms "interest" and "advantage" must be understood separately. In light of this criterion, the Entity is not liable if the offense was committed in the exclusive interest of the offender or third parties.

The criteria of imputation of a **subjective nature** instead regard the fault of the Entity: the liability of the Entity subsists if no standards have been adopted or have not been complied with due to sound management and control relating to its organization and to the performance of its activity.

The assessment of the liability of the organization is therefore linked to the possibility of moving a reproach linked to the verification of an incorrect professional policy or structural deficits in the organization that has favored the commission of one of the presumed crimes.

Article 6 of the Decree introduces a particular form of exemption from the liability in question if the institution demonstrates:

- a) to have adopted and effectively implemented through its governing body, before the commission of the fact, a Model of organization and management suitable to prevent crimes of the kind that occurred;
- b) to have entrusted an external body, endowed with autonomous powers of initiative and control, with the task of supervising the functioning and observance of the Model, as well as of updating it (the so-called "Supervisory Body", ref. C);
- c) that the people who committed the crime acted by fraudulently evading the Organization and Management Model;
- d) that there has been no omission or insufficient supervision by the body referred to in the previous letter. b).

The Decree also provides that, in relation to the extent of the delegated powers and the risk of commission of the offenses, the Models referred to in letter a), such as the Present, must meet the following requirements:

1. identify the areas at risk of committing the offenses envisaged by the Decree;
2. prepare specific procedures in order to plan the formation and implementation of the decisions of the Entity in relation to the crimes to be prevented;
3. provide for the identification and management of financial resources suitable for preventing the commission of such offenses;
4. to prescribe information obligations towards the body in charge of supervising the functioning of and compliance with the Model;
5. to set up an internal disciplinary system capable of sanctioning the failure to comply with the measures indicated in the Model.

The same Decree provides that these can be adopted, ensuring the above needs, on the basis of any "codes" (id est Guidelines) drawn up by representative associations of category, which must be communicated to the Ministry of Justice that, within 30 days, you can make comments on their suitability.

The Entity is therefore presumed guilty unless it proves that the Model has been fraudulently evaded.

For crimes committed by subordinated subjects, the institution will answer only if the Public Prosecutor is able to prove that the "commission of the offense has been made possible by the non-observance of the management and supervision obligations that typically weigh on the company's top management" (has, in practice, in favor of the institution a relative presumption of innocence thanks to an "inversion of the burden of proof").

A.4. The Organizational, management and control Model

The Model operates as free from the responsibility of the Entity only if effective with respect to the prevention of the predicate offenses and only if effectively implemented.

In particular, the Model must present the legal - formal **principles** of:

- *concreteness: it must not be exclusively formal, but must contain references to real economic situations;*
- *effectiveness and adequacy: the reference must be specific to the organization for which the Model is constructed, in this case to the Company ISEF S.r.l.;*
- *dynamism: it must be able to adapt both to the changed environmental conditions and organizational changes that could happen.*

To these three elements it will then be necessary to add the characteristics of:

- *adoption and effectiveness: an operational implementation and a constant review of the organization is necessary in order to practically implement the theoretical activities described in the Present and aimed at avoiding potential risks and crimes.*

The Decree, however, does not analytically indicate the characteristics and contents of the Model, limiting itself to dictating certain general principles and certain essential elements of content.

In particular, according to the Decree, the Model must identify:

- a) **the areas at risk - crime**, deepening the knowledge of each sector of the company from a risk management point of view, in order to perform a complete assessment of the risks from which to extract the risk-crime presupposed pursuant to Legislative Decree no. 231/2001 with related business areas involved;
- b) **specific behavioral procedures** aimed at planning the formation and implementation of the decisions of the entity in relation to the crimes to be prevented, that is the tracing of the decisional and operational processes as well as the responsibility of the various company subjects responsible for carrying out a function. Specific procedures have been set up for each corporate activity at risk of crime destined for each organizational unit concerned by these in the "Procedures" annex (Annex C to the MOGC);

- c) the methods of management of **financial resources** suitable for preventing the commission of specific crimes (such as corruption or bribery) present in specific procedures, as well as an adequate allocation of financial resources to the SB specifically aimed at the prevention system - created by the Decree;
- d) **information obligations** towards the Supervisory Body, with an adequate definition of "bidirectional" information flows and with the creation of mechanisms to facilitate the aforementioned obligations (see Section C.6.);
- e) a **disciplinary system** suitable to sanction infringements of the Model and the Code of Ethics (Annex D to the MOGC).

To meet the requirements of letters d) and e), a suitable level of knowledge must be activated by the organization and all the stakeholders regarding the existence of a **Code of Ethics** constituting a set of rules integrating the duties and obligations contracts that affect employees and top managers, as well as other stakeholders such as suppliers, consultants, service providers and services in a continuous relationship, so as to set their duties in relation to prevention pursuant to Decree 231.

The operational objectives of the internal control system achieved thanks to the Model can thus be achieved both in terms of reliability in the publication of documents concerning management, compliance and legitimacy by all company stakeholders.

A.5. Offenses committed abroad

In relation to the provisions of art. 4 of the Decree, the Entity may be called to respond in Italy also in relation to the alleged offenses committed abroad - provided that the established objective and subjective imputation criteria are met.

The Decree, however, conditions the possibility of prosecuting him for crimes committed abroad only with the existence of the following assumptions:

- the state of the place where the crime was committed does not proceed;
- the Entity has its headquarters in the territory of the Italian State;
- the crime is committed abroad by a person who is functionally linked to the Entity;

- there are the conditions of procedure provided for in articles 7, 8, 9 and 10 of the Penal Code;
- **ISEF S.r.l.** it does not have factories outside the Italian borders and, in general, in addition to those described in attachment n ° 1 "Corporate organization chart and job title".

However, the risk concerning the cases of "transnational crimes" has been investigated in Annex B to the MOGC "Map of activities at risk of crime" (for the precise listing of which reference is made to point A.2 of the Present).

At the present date, ISEF S.r.l. does not have factories outside the Italian borders. However, the risk relating to the types of "transnational crimes" was investigated in Annex B to the MOGC "Map of activities at risk of crime" (for the precise listing of which please refer to Annex E of the MOGC).

A.6. The sanctions

The sanctions for administrative offenses related to crime can be of four types:

1. the pecuniary sanction;
 2. the interdictory sanction;
 3. confiscation;
 4. the publication of the sentence.
- **pecuniary sanction**

The pecuniary sanction, which is applied every time the "liability from offense" is ascertained, is applied in units, whose number will vary between one hundred and one thousand depending on the seriousness of the fact, the degree of responsibility of the Entity and the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further offenses.

In general, as regards the concept of quotas, it is worth highlighting how, in order to guarantee a suitable evaluation power of the Judge and in order to allow a punctual adjustment of the sanction to the actual disvalue of the fact, the system of committing the pecuniary sanction adopted by the Leg. 231/2001 is "biphasic":

1. The first phase requires, in fact, the Judge to determine the number of shares that he considers appropriate to sanction the fact (in a number between 100 and 1,000, as mentioned);
2. Secondly, he must proceed to quantify the amount, i.e. the economic value of the individual share, having regard to the economic and equity capacity of the Entity (the single share must be between € 258.23 and € 1,549.00).

The amount of the penalty imposed in practice will be calculate by the product of the two factors, i.e. the number of shares and the individual value attributed to each of them, while respecting the limits imposed by the Decree itself.

We will therefore have a minimum fine of € 25,823 (excluding, of course, all possible cases of reduction) and a maximum of € 1,549,000.

There are cases of reduction of the post-factum fine. In particular, the pecuniary sanction will be reduced by a third to a half if before the declaration of opening of the hearing the Entity will have fully compensated the damage or will have eliminated the harmful or dangerous consequences of the crime, or in case a Model has been adopted suitable to prevent the commission of further crimes (such as the Present).

If the aforementioned conditions concur both, the penalty will be reduce from half to two thirds.

- **Disqualification sanction**

The disqualification sanctions are applied in addition to the pecuniary sanction, but only if expressly provided for the offense for which one proceeds and provided that at least one of the following conditions is met:

1. the Body has taken a significant profit from the crime and the commission of the crime has been facilitated by serious organizational shortcomings;
2. in case of reiteration of the offenses (another offense pursuant to Decree 231 is committed in the five years following a definitive sentence for another of the alleged offenses).

The interdictory sanctions can be classified in:

- temporary or permanent disqualification from the exercise of the activity;

- suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
- prohibition of contracting with the Public Administration, except for obtaining the services of a public service;
- exclusion from facilitations, loans, grants or subsidies and possible revocation of those already granted;
- temporary or permanent ban on advertising goods or services.

The disqualification sanctions are normally temporary but in the most serious cases they can exceptionally be applied with definitive effects.

It should be noted that, based on the provisions of art. 15 of the Legislative Decree. 231/2001, the judge may order the continuation of the activity of the Organization by a commissioner for a period equal to the duration of the disqualification sentence that would have been applied, when at least one of the following conditions occurs:

- The entity carries out a public service or a service of public necessity whose interruption could cause serious damage to the community;
- The interruption of the entity's activity may cause, taking into account its size and the economic conditions of the area in which it is located, significant repercussions on employment;
- The activity is carried out in industrial plants or parts thereof declared to be of national strategic interest.

They can also be presented on a precautionary basis, or before conviction, if there are serious indications of the entity's liability and there are specific and specific elements such as to make concrete the danger of a new commission of the same offenses.

The interdictory sanctions are not applied (applying only pecuniary sanctions) when, before the declaration of opening of the first instance trial, the conditions set forth in article 17 of the Legislative Decree apply. 231/2001 and, precisely:

- the Entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the crime or has effectively used it;

- the Authority has eliminated the organizational deficiencies that led to the crime by adopting and implementing organizational models suitable for preventing crimes of the kind that occurred;
- the Authority has made available the profit earned by the commission of the crime for the purpose of confiscation;
- when they jeopardize the continuity of the activity carried out in industrial establishments or parts of them declared to be of national strategic interest, if the entity has eliminated the organizational deficiencies that led to the crime through the adoption and the implementation of organizational models suitable for preventing crimes of the type that occurred.

The person who violates the interdictory sanction is punished with imprisonment from six months to three years, while the Entity is condemned to pay a pecuniary sanction from 200 to 600 shares and to confiscate the proceeds, as well as further interdictive sanctions (art. 23 of Legislative Decree 231/2001) in the case of significant profit derived from the continuation of the same activity.

- **Confiscation**

The sanction of confiscation can be ordered both in all cases of condemnation of the company and as a precautionary measure, therefore independently of the conviction itself in the case in which the crime was committed by persons defined as "top management" (Article 6, paragraph 5, D .lgs. 231/2001).

The same applies to the price or profit of the offense, except for the part that can be returned to the damaged party and, in any case, the rights of the third parties in good faith are always reserved. In the event that it is not possible to confiscate the profit of the crime, it may have as its object sums of money, assets or other utilities of a value equivalent to the price or profit of the crime itself.

- **The publication of the condemnation's judgement**

This is the last of the judgement provided for in the Decree. The "publication of the judgement of conviction", can be ordered by the judge only once, at the expense of the institution, and had to be published in one or more newspapers chosen by him or by posting in the Municipality where the institution has its headquarters.

However, the art. 37, paragraph 18 of Legislative Decree. n. 98/2011, converted into Law 106/2011, containing "Urgent provisions for financial stabilization" (the so-called "Financial Law"), amended the rule regarding the publication of the criminal sentence, indicating that it should be placed only on the Ministry of Justice website.

Based on the provisions of the art. 76 of Legislative Decree. 231/2001, for the publication of the conviction, carried out at the expense of the organization, the provisions of article 694, paragraphs 2, 3 and 4, of the criminal procedure code are observed.

A.7. Changing events

In the case of amendments (extraordinary transactions), the following is noted:

- *Transformation*: responsibility for crimes committed before the date on which the transformation took effect remains firm. The new body will then be the recipient of the sanctions applicable to the original entity.
- *Merger*: the Entity resulting from the merger, including by incorporation, is liable for the offenses for which the entities involved in the merger were responsible.
- *Partial demerger*: the responsibility of the Body split for the crimes committed before the demerger remains firm. However, the partial or total beneficiaries of the spin-off are jointly obliged to pay the pecuniary sanctions due by the split body for offenses prior to the demerger. The obligation is limited to the value of the assets transferred.

If the merger or split has taken place before the conclusion of the assessment of the liability of the Entity, the Judge, in the determination of the pecuniary sanction, will take into account the economic conditions of the original body and not those of the body resulting from the merger.

In any case, the disqualification sanctions apply to the Entities to which the branch of activity in which the crime was committed has been or has been transferred, even in part.

In case of sale or transfer of the company in which a crime was committed, the Decree establishes that, unless the prior exclusion of the transferring institution is granted, the assignee is jointly and severally liable with the assigning institution for payment of the pecuniary sanction, within the limits of the value of the company sold and within the limits of the pecuniary sanctions resulting from the obligatory accounting books or of which the assignee was aware of anyway.

ISEF S.R.L. MODEL

B.1. Company Presentation

Registered office: Via Matteotti 70, 21040 Carnago (VA)

Fiscal Code: 00550340129

VAT number: 00550340129

REA: VA-141140

Administration and Control System: Board of Directors

The corporate object of **ISEF S.r.l.**, as per the Chamber of Commerce review, turns out to be:

- 1. The stamping and forging of metals with particular reference to steels in their various types;*
- 2. Dies and tools production;*
- 3. The trading of the items referred to in the previous points;*
- 4. The machining of precision and heavy mechanics in general.*

For the achievement of the corporate purpose, the company may also perform all commercial operations (including import-export), industrial, financial, real estate and securities, deemed necessary or useful by the administrative body; may present endorsements and guarantees and any other guarantee also in favor of third parties; it may also directly or indirectly take on shareholdings or interests in other companies or companies having a similar object, similar or otherwise connected to its own, provided that the above is carried out in a completely accessory and instrumental manner, not prevalent and not in relation to the public, in compliance with the mandatory laws that govern the exercise and within the scope of the same and with the exclusion of activities by law reserved for members of the colleges, orders or professional registers.

B.2. Objectives pursued and Model adoption

The Company **ISEF Srl**, sensitive to the need of disseminating and consolidating the culture of transparency and ethical-business integrity, and aware of the importance of ensuring conditions of fairness in the conduct of business and in the exercise of business activity protecting its position / image and the expectations of its Customers, adopting the Organizational and Management Model envisaged by the Decree and consequently establishing the related principles of reference.

The Model has been prepared by **ISEF Srl** on the basis of the provisions of the Decree and the Confindustria Guidelines issued on 07th March 2002 and updated on March 2014, but also (and above all) taking into account the principles of concreteness, effectiveness and dynamism, as well as adoption and effectiveness required by jurisprudence.

This means that the differences of the present Model with respect to specific points of the Guidelines do not in any way affect its validity but, on the contrary, have been designed with the sole purpose of making it even more suited to the needs of the Body, as drawn up "Made to measure by the Organization" in the awareness of having to become a practical reference point for all the activities carried out by the Company.

The Model, to summarize, must be drawn up in compliance with the structure and activity concretely carried out by the Company and may well deviate from the Guidelines of the trade associations which, by their nature, are of a general nature.

The Model has been adopted by Company Board of Directors on 26th June 2018 with a resolution that constitutes attachment No. 2 to this document.

At the same time as the Model was adopted, the same resolution conferred on Dott. Federico Clerici the task of taking on the functions of the Supervisory Body (Supervisory Board) with the task of supervising the functioning, effectiveness, observance and updating of the Model itself, taking care of the evaluation of the operative procedures suitable to guarantee the most correct functioning. For more details, refer to paragraph C of this document.

B.3. Function of the Model and its main components

The Model pursues the objective of configuring a structured and organic system of procedures and control activities aimed at preventing, as far as possible, the commission of behaviors suitable for integrating the crimes contemplated by the Decree.

The aim of the Model is therefore to build a structured risk assessment and analysis system (which will subsequently have to be constantly updated) and to implement and put into practice specific surveillance and control procedures and actions, as well as preventive measures (tasks, so-called audit, not assigned in the present case to a particular body of "Internal Audit") and corrective (analysis of non-compliance and corrective actions) aimed at preventing the possibility of committing "catalog" crimes, including accidents, accidents and occupational diseases.

In particular, by identifying "Processes at risk" and their organization, the Model aims to:

- determine in all those who work in the name and on behalf of the Entity, with particular relevance to the processes with significant risks, the awareness of being able to incur in case of violation of the provisions contained therein in an illegal punishable by penal and administrative sanctions; and not only in their own regard but also in those of the Body pursuant to Legislative Decree no. 231/2001;
- to reiterate that forms of unlawful conduct are rejected by the Ethical Principles of the Body, principles set out in Annex A called the "Code of Ethics", and strongly condemned as being contrary to the provisions of the law and the ethical and social principles that ISEF S.r.l. pursues, in every field and at all times;
- to allow the Company, thanks to the adoption of a monitoring system on areas at risk of crime, that timely intervention is necessary many times to combat the commission of crimes and offenses.

Through the identification of the activities exposed to the crime risk and their consequent procedures preparation, we want to determine, therefore, a full awareness in all those who work in the name and on behalf of ISEF S.r.l. regarding the real possibility of incurring a wrongful punishment; in fact, as mentioned, this is strongly censured by the company itself.

It is in fact denied the will of the Entity to pursue any interest through the commission of crimes or behaviors of dubious morality even when, apparently, one could derive an immediate economic advantage.

Map of activities at risk of crime

The single mapping of each activity at risk carried out by the Company in question, i.e. the study and formalization of those activities in which the commission of the offenses envisaged by the Decree is most likely, constitutes Annex B.

The results of this risk assessment activity, collected in the two separate parts in which the annex is divided, allowed:

- the preliminary identification of the Organizational Units which, in consideration of the tasks and responsibilities assigned, could potentially be involved in the activities "at risk of crime";
- the identification of the main types of crime risk related to the production services put in place;
- a description of the possible ways of carrying out illicit behavior.

The resulting reports (visible in the second part of each Map entitled "Activities at Risk") have been evaluated and appreciated on the basis of the following elements, fundamental to allow an effective control following the mapping:

- *content: the presence of all the necessary information is ascertained;*
- *accuracy: the information provided does not appear to be general or unrelated to the activities of the individual company.*

The other essential points

Key points of the Model, in addition to the principles above are:

- assignment to the SB (reference point C) of specific supervisory tasks regarding the effective and correct functioning of the Model;
- the verification and traceability of each significant transaction in the context of activities at risk of committing crimes, as regards the financial flows managed by the Company;

- application and compliance with the principle of separation of functions, also respecting the principle of identifying roles and responsibilities, highlighted by the organization chart (Annex 1 to the Present);
- definition of the authorization powers consistent with the responsibilities assigned (Attachment 4 "Delegation of powers");
- ex post verification of corporate behavior, as well as the functioning of the Model with consequent periodic updating (so-called continuous monitoring);
- the dissemination and involvement of all company levels in the implementation of behavioral rules, procedures and company policies that comply with the principles established in the Model.

The recipient subjects

In order to identify the activities "at risk of crime", the determination of the scope of application of the subjective conditions of the Decree assumes preliminary importance. In particular, the parties whose illegal conduct may derive the extension of responsibility for the Company were identified.

In details:

- the members of the Board of Directors, the non-working members and any holders of power delegates constitute the persons in senior positions pursuant to art. 5, paragraph 1, lett. a) of the Decree;
- the employees of the companies and the usual collaborators described in attachment n ° 1, operating under the direction or supervision of one of the above mentioned subjects, are included in the scope of the subjects referred to in art. 5, paragraph 1, lett. b) of the Decree.

With reference to the existence of the subjective conditions for the application of the law in question, they are also found in relation to subjects formally unrelated to the company organization but with which the Company maintains stable and continuous relationships: they are the so-called Collaborators. To define them, the following indices have been identified in their regard:

- powers of direction, that is to say the power of the Company to issue specific and binding orders and directives regarding the execution of the assigned task and the methods of implementation;

- powers of control of the different phases of performance of the work performance;
- disciplinary and censure power.

This means that the functions performed by these subjects must be mapped and given them, assimilating them as the Company's employees.

On the other hand, the other out-sourcers – i.e. all those professionals, consultants and suppliers not directly linked to continuous contracts with the Entity - are excluded from the Present, as their inclusion in the category of entities subjected to the power of management and supervision of a apical subject appears to be in contrast with the principle of strict legality, in force in criminal matters and expressly referred to in art. 2 of the Decree.

However, by coming into contact with the Authority, attention is also paid to these categories in order to prevent in every activity the possibility of implementing catalog crimes: in practice, the Company's commitment is not excluded. to request (and claim) their timely compliance with the company's Code of Ethics.

The formal request shall be done through suitable contractual instruments, in particular through the inclusion of specific contractual clauses.

B.4. Code of Ethic

The Code of Ethics is an integral part of the Model and is attached to the letter A.

It is appropriate to clarify how the Code of Ethics has the characteristic of being a document of "general scope", as it is disconnected from the purely productive aspect and contains a series of principles of "corporate deontology" on which the company **ISEF S.r.l.** intends to recall the observance of its employees / collaborators and of all those who, even outside the company, cooperate in pursuing company goals.

The Company undertakes to effectively disseminate the information relating to the regulations and the behavioral and procedural rules to be respected, in order to ensure that the activities of the company is carried out in compliance with the ethical principles prescribed.

The Code of Ethics is structured, in Annex A to the Model, according to the following levels:

1. Introduction

incorporating the definition of the Code of Ethics and the corporate mission. The mission is accompanied by the vision, that is the ethical vision, the reference point in the search for the delicate balance between expectations and interests of the different stakeholders;

2. Recipients and scope of application

internal to the premise, all the subjects required to adapt their actions and their behavior to the principles described in the annex are indicated;

3. Mission and values of behavior

that is to say "general ethical principles", determining the fiduciary duties of the enterprise towards the stakeholders;

4. Rules of conduct and relationships with stakeholders

these are divided according to their nature as internal interlocutors (A.) and external interlocutors (B.):

- *Internal interlocutors:*

- Employees; Members; Collaborators.
- *External interlocutors:*
 - Financial Institutions; Clients; Suppliers of goods and services; Competitors; Public administration; Environment.

For each of the nine categories, both bans and behavior standards are described in terms of rules of conduct to which the Company adheres to avoid, in relation to the category, opportunistic behavior in general.

In addition we have the following sub-levels:

- *Ethics in business management*
- *Disciplinary power*
- *Procedures for implementation, control and dissemination of the Code*

written with the aim of spreading the Code inside and outside the organization, they are entrusted with the task of achieving the principles of "adoption" and "effectiveness" already required for the Model.

The Code of Ethics was adopted by the Board of Directors on 26th June 2018 with a resolution attached to No. 2 of the MOGC.

B.5. Model changes and integrations

As established by the Decree, the Model must be "act of issuing the governing body" (Article 6, paragraph 1, letter a). Consequently, its subsequent amendments, which are fundamental for maintaining its exemplary character, as well as the substantial additions to the Model itself, are left to the Board of Directors and in particular become essential, subject to informing the Single-Minister Supervisory Board, when:

- there have been violations and / or evasion of the provisions of the same that have shown the ineffectiveness or inconsistency for the purposes of preventing crimes within the Company;
- significant changes have occurred in the regulatory framework, in the organization or in its activity.

The Supervisory Body, whose composition and function will be carefully described in point C. of this document, is constantly informed about the updating and implementation of the new operating procedures, so as to be able to express, with the professionalism that belongs to it, opinion on the proposed amendments, its task being to propose and take care of updating the Model in general.

It is important to remember that the Supervisory Body, however, does not exercise any power of active management as it is not able to intervene on the internal organization of the Body: its functions of verifying the effectiveness of the Model and updating it they are exhausted by the possibility of making proposals and requests to the governing body, the only deputy to make decisions on the Model.

B.6. Regulations on health and safety at work

The law of 3rd August 2007, n. 123, introduced within the Legislative Decree. 231/2001 art. 25-f. Through the issuing of the aforementioned law, are introduced between the so-called predicate offenses, and then are included among the crimes that give rise to an administrative liability of the Entity, the crimes of manslaughter (Article 589 of the criminal code) and serious negligent injury or very serious (Article 590, paragraph 3 of the Criminal Code).

In the context of the content of the law, the number of companies is considerably extended, so it is important to adopt an Organization, Management and Control Model. All companies, in fact, are subject to the legislation on workplace safety and, of course, greater impact will be had for all those companies that carry out an activity that presents a greater risk of accidents.

In detail, the administrative responsibility pursuant to Legislative Decree no. 231/2001 of the company ISEF S.r.l. in case of commission of the crimes of manslaughter and negligent personal injury, it is recognizable when the criminal offenses are committed:

- by employees or senior managers of **ISEF S.r.l.**;
- in violation of the accident prevention regulations and the protection of hygiene and health at work (Legislative Decree 81/2008);
- in the interest or for the benefit of **ISEF S.r.l.**

Here it is stressed that, however, the Model 231 should not be considered as a substitute for the current system of precautions in the criminal law of labor, but as an additional element aimed at improving the discipline in the field.

By virtue of this, ISEF S.r.l. has decided to optimize its behavioral procedures foreseen in the enclosure C to the Model, inserting specific references to the correct use of Personal Protective Equipment (PPE) and, more generally, of the provisions of the Risk Assessment Document (RA).

B7 The "Whistleblowing" system

The Legislative Decree 24/2023, transposing Directive (EU) 2019/1937 in our country, led to a modification of the current provisions on whistleblowing for the private sector. In order to effectively implement the provisions of the Legislative Decree. 24/2023, ISEF S.r.l. proceeded with an update of the procedure already adopted. In compliance with the provisions of current legislation, ISEF S.r.l.'s whistleblowing procedure:

- provides reporting channels that allow anyone to submit complaints regarding violations of Model 231, the Code of Ethics as well as the system of rules and procedures adopted;
- prohibits any form of retaliation or discrimination, direct or indirect, against the reporter for reasons connected, directly or indirectly, to the report, as well as other subjects specifically identified by the Legislative Decree. 24/2023 (for example, facilitators, colleagues, etc.);
- has provided within its disciplinary system specific sanctions for those who do not guarantee the confidentiality of the identity of the whistleblower and for those who submit false reports. Pursuant to current legislation, any discriminatory or retaliatory measure adopted against the whistleblower may be reported to the ANAC. In order to guarantee adequate management of reports, the Company identifies the SB as the recipient of the same as it possesses the necessary requirements of autonomy, independence and professionalism. Reports can be transmitted through the reporting channels made available by the Company:

Written warning	<ul style="list-style-type: none"> • Indicate your identification data on a sheet of paper, which will be inserted in a first envelope together with a copy of an identity document; • Indicate the subject of the report on a second sheet of paper, which will be inserted in a second envelope; • Insert both envelopes referred to in the previous points in a third envelope with the words "reserved for the ISEF S.r.l. reporting manager" on the outside; • Send the sealed envelope (containing the other two envelopes, also sealed) to the following address: Via Claudio Monteverdi, n. 8, Seregno (MB) – 20831 c/o Aspera Studio Associato.
Oral warning	<ul style="list-style-type: none"> • Contact Aspera Studio Associato by telephone; • Ask to speak to the ISEF S.r.l. reporting manager.
Real meeting	<ul style="list-style-type: none"> • Contact Aspera Studio Associato by telephone; • Ask to speak to the ISEF S.r.l. reporting manager. in order to request a direct meeting.

B8 Training and communication

For the effectiveness of the Model it is necessary that all its Recipients are trained and informed about its existence.

Precisely for this reason ISEF S.r.l. undertakes to ensure correct knowledge of the Model and the documents that compose it for all staff, with different degrees of depth in relation to the different level of involvement of the individual functions in the areas of activity at risk.

The procedures, control systems and behavioral rules adopted in implementation of the reference principles contemplated in this document, together with the Code of Ethics, are communicated to each individual in relation to the activity actually carried out and the tasks assigned. Each employee, upon resolution of the Model (or upon hiring, if subsequent to the resolution), is required to sign a specific declaration of adherence to the Code of Ethics and commitment to compliance with the procedures adopted in implementation of the reference principles for the construction of the Model.

In order to guarantee adequate dissemination of this Model and the Code of Ethics, as well as accessibility to the same by all Recipients external to ISEF S.r.l., the Company undertakes to ensure timely dissemination of the same.

B. SUPERVISORY BODY (SB)

In implementation of the provisions of the Decree, the Board of Directors which adopts the Model establishes a body to entrust the task of constantly monitoring the effective functioning and observance of the Present, as well as proposing the update: it is the so-called Supervisory Board.

The general concept of "Board of the Body" justifies the heterogeneity of the solutions that in this regard can be adopted considering both its own dimensional characteristics, both its own rules of corporate governance, and the need to achieve a fair balance between costs and benefits.

In this regard, **ISEF S.r.l.** has analyzed various alternative solutions in order to identify strengths and contraindications of every composition of the SB. In particular, the hypothesis of assigning all those tasks and responsibilities envisaged by art. 6, paragraph 1, lett. b) of the Decree to:

- a collegiate body composed of personalities entirely external to the Entity or internal-external blends, which could bring together the various profiles of "professionalism" required for an element to which belong tasks ranging from the control of financial flows, to personnel, to occupational safety and labor law up to prevention of corporate offenses;
- single component (single-body organism) totally outside the executive tasks.

The Doctrine and Jurisprudence believe that the appointment of a Supervisory Body of both a collegiate and monocratic type can be considered coherent: in both cases they must in any case be placed in a position of direct reference to the Board of Directors and its delegates, but above all they will have to answer to those requisites that the Confindustria Guidelines (agg. March 2014) outline in: autonomy, independence, professionalism, continuity of action.

After a careful evaluation, including costs and benefits, the Board of Directors has decided to appoint a Monocratic Supervisory Body (SB), as described in the following paragraph.

C.1. Certifying designation and required requisites

The Board of Directors of ISEF S.r.l., with a resolution dated 26th June 2018 (attachment No. 2 to the Present), has appointed Dott. Federico Clerici as the sole member of the Supervisory Body.

Here, the lack of causes for ineligibility of the same is specified and certified.

In detail, the Supervisory Board so set up, possesses all the requisites required of:

1. **autonomy:** it has totally autonomous powers of initiative and control, which result in a real decision-making autonomy with respect to determinations that the Organism can assume in the exercise of its own powers, both of an inspective nature and of supervision and characterized by a high degree of technical discretion. Furthermore, it does not perform any operational duties nor take decisions in any of the "Activities at risk of crime" in the annex "Map of the activities at risk of crime" of the Company (Annex B). The decision-making autonomy will be expressed, therefore, in the exercise of the powers entrusted to the Supervisory Board as well as in access to all the company information useful to it, as a corollary of an absence of dependence that is not merely formal but substantial. Furthermore, to protect this requirement of autonomy, it will have forms of financial autonomy (see Section C.7) and self-regulatory powers described below;
2. **independence:** aware of the fact that if the subject in existence is in a position of personal dependence on the top management of the Company could not guarantee maximum effectiveness and impartiality of judgment, the SB finds again in the figure of Federico Clerici of a third party, totally independent and without any conflict of interest, only interested in carrying out the function of protection of the Entity under responsibility pursuant to Legislative Decree no. 231/2001;
3. **professionalism:** it is the widespread opinion of the Board that the SB, as composed, possesses adequate specialist skills in the field and is equipped with tools and techniques to perform the activity in an impeccable manner. Obviously, since it is not a collegiate body, the possibility of contacting "external consultants" who take advantage of specialized sectorial aids to help him in his fundamental function is made their own;

4. **continuity of action:** as already highlighted above, the Supervisory Body must constantly monitor the consistency between the behaviors envisaged by the procedures and the activities carried out specifically by the recipients of the same.

To do so he is required to perform his duties in a systematic way: verbalizations, information flows, scheduling of activities and careful planning will allow him to carry out the activity in a continuous interaction with both the company management and with the company employees.

The Supervisory Board will also find itself accessible, even physically, immediately committing itself to improving the flow of information addressed to its person thanks to the presence of a specific e-mail box included in the company Code of Ethics and highlighted in par. C.9. of the Present.

isef@organismoodv231.it

C.2. Duration in charge and replacement / implementation of components

The administrative body, with the resolution appointing the Supervisory Body associated with the adoption of the Present Model 231 (attachment n ° 2 to the Present), also determines its term in office.

In detail, the Supervisory Body was appointed for a period of **3 years**, starting from the date of appointment.

It is also the responsibility of the Board of Directors of the Company to periodically assess the adequacy of the Supervisory Body in terms of the organizational structure and powers conferred by making the amendments and / or additions deemed necessary by means of a resolution.

In particular, the Board of Directors must take into consideration the following aspects:

- the members of the Supervisory Body cannot be revoked except for justified reason;
- the Supervisory Body is deemed to have lapsed if the only component is missing, due to resignation or other causes. In this case, the Board of Directors must resolve a new Supervisory Body within **14 days**.

C.3. Rules of convocation

The Supervisory Body set up as described in the specific regulation of the Supervisory Board (attachment No. 10), is responsible for:

- arrange in one person to draw up the **reports** concerning the changes (in particular, requests for changes) on the Model, the interventions made in the organization, the request for new Behavioral Procedures to be implemented / new training courses / information meetings and update to be followed on this subject and any disciplinary sanctions to be imposed;
- drafting and submitting to the Administrative Body a report every 6 months on the status and status of implementation of the Model, with particular reference to the results of the supervisory activity carried out during the period, as well as on the appropriate measures for the implementation of the Model same.

C.4. Functions and powers of the Supervisory Body (SB)

The Supervisory Body has autonomous powers of initiative and control within each company within the Company; they envisage such powers as to allow the effective exercise of the functions provided for in the Model, as well as by subsequent measures or procedures adopted to implement it.

To this end, the SB adopts its own rules of operation through the adoption of its own internal regulations (Annex No. 10 to the MOGC). The SB has no powers of management or decision-making powers relating to the performance of any of the activities, just as there is no real organizational power to change the company structure, nor any sanctioning powers of any kind.

As already mentioned, its verification and updating functions are exhausted by the possibility of making proposals and requesting updates to the various management bodies, who must then promptly endeavor to modify this Model. The SB performs its functions in coordination with the corporate bodies and with the organizational units present in the company organization chart.

For this reason, he / she must be allowed to take part, in the event he makes an explicit request, to the meetings of the Assembly of Members, since this Body needs to have as much information coming from within the Entity.

The SB also coordinates with the corporate functions involved in the activities at risk for all aspects relating to the implementation of the operational procedures for implementing the Model, in particular with Employees and Collaborators. The SB has autonomous spending powers based on a maximum annual amount, the so-called budget of the SB, approved at the time of appointment and to be assigned on the proposal of the SB itself (see Section C.7).

The single component of the SB, as well as all the subjects of which the SB in any capacity avails itself, are bound by the obligation of confidentiality regarding any type of sensitive information which they may become aware of (through direct contact or through any type of information flow) in the exercise of their functions.

The Supervisory Body exercises its powers and functions in compliance with the law, as well as with the individual rights of workers. In particular, the Supervisory Body:

- will monitor compliance with the provisions of the Model and with regards to the verification of the model:
 - to interpret the relevant legislation;
 - to carry out surveys on company activities, if deemed necessary, for the purpose of updating the mapping of activities at risk of crime and related sensitive processes;
 - to coordinate with the managers of the Company for the definition of training programs for staff and for the content of periodic communications to be made to directors, employees and internal and external collaborators, aimed at providing them with the necessary awareness and basic knowledge of the legislation pursuant to Legislative Decree 231/2001;
 - to monitor all the activities for Model know-how spread and comprehension.
- continually prepare and update the relevant information, in order to allow full and conscious adherence to the rules of conduct of the Company subject to the Organization, Management and Control Model;
- with reference to the verification of compliance with the Model must:

- periodically carry out targeted checks on certain transactions or specific actions carried out within sensitive company processes, documenting them with appropriate minutes, as well as reporting them in the reports on a semi-annual basis previously defined;
- if deemed necessary, it is his / her right to carry out unexpected checks on sensitive activities, as a prerogative identified recently by the Law to safeguard the legal-formal principle of "adoption and effectiveness";
- coordinate with the top management functions (if necessary through appropriate meetings, one of which is mandatory) for the most efficient monitoring of activities.

To this end, the SB obtains from the BoD free access to all the company documentation it deems relevant for carrying out its business; the same members of the Board of Directors, as well as all Employees and Collaborators, undertake to keep it constantly informed, through the specially prepared information flows;

- with reference to the training of personnel and subjects interested in the Model, it must:
- promoting initiatives for training and communication of the Model, preparing the necessary documentation and coordinating with the Board of Directors;
- planning, together with the aforesaid Manager, the compulsory annual training with respect to the cardinal points of Legislative Decree. 231/2001, as well as with regard to the significant aspects of this Model adopted;
- ensuring that the training activity is carried out by all the subjects belonging to the company organization.

C.5. External consultants

Given the monocratic composition of the Supervisory Body, the possibility is conferred on the same to avail itself and be assisted by external consultants in relation to the following topics or activities:

- discussion on the reports concerning the critical issues relevant pursuant to Legislative Decree no. 231/2001 emerged from the "Map of activities at risk of crime" (Annex B to the MOGC) or from new activities undertaken in the company field;

- analysis of the aspects and problems of implementation of the Model;
- periodic review of the Model with particular attention to the comparison between the formally foreseen behavioral procedures and their actual value;
- update on the issue of any procedures linked to specific contents contained in the Model in relation to the areas identified by the same as "sensitive".

The possibility of periodic meetings of the said consultants with the Supervisory Body is provided to help them in a technical manner in carrying out their complicated tasks. Their compensation, as opposed to that relating to the training of Personnel, will be paid by the Entity but the amount must fall within the boundaries of the budget defined for the Supervisory Body (see Section C.7).

C.6. Information flows to and from the Supervisory Body

As already indicated in paragraph B.7., the Supervisory Body is entrusted with the task of "managing reports" of illicit behavior (Whistleblowing). It is the responsibility of the Supervisory Body to always act in compliance with the procedure adopted by the Company and, in general, with current legislation on the matter; in compliance with the principles of impartiality and confidentiality, the SB carries out any activity deemed appropriate to evaluate the report, including hearing the subjects who can report on the facts reported.

C.7. Provision of financial resources to the SB

As established by Legislative Decree. 231/2001, the Supervisory Body must have adequate financial resources (SB budget), in order to guarantee and make concrete that "power of initiative and control" that the Decree itself recognizes.

It is therefore necessary that, in the context of the corporate budgeting procedures, the Board of Directors approves an adequate endowment of financial resources, on proposal or not of the Body itself, so that the proper performance of the tasks is made possible (i.e. specialist advice, particular audits, etc.).

By virtue of the provisions of the Regulations, the company **ISEF S.r.l.** undertakes to immediately provide the Supervisory Body with an appropriate budget for the year, the amount of which is shown in attachment n ° 2.

C.8. Reporting activities by the Supervisory Body

For full compliance with the dictates of the Decree, the SB in the person of Dott. Federico Clerici, reports directly about his work:

- in the half-yearly report to the Board of Directors;
- in the annual report to the Board of Directors.

The two obligatory reports will follow others whenever there is urgency or reason.

The report will have for object:

- the activity carried out, indicating in particular the checks and checks carried out as well as the outcome of the same;
- any request to the governing body to update the so-called "activities at risk of crime" and the related sensitive processes;
- the report of reports received from internal and external parties regarding alleged violations as well as the outcome of the checks carried out on said reports, having already done in particular cases - especially those concerning anti-money laundering - to contact the Board of Directors of the Organization ;
- the opinion provided on the proposal of sanctions that may be applicable by the Body to its organizational Units involved as required by the Company Disciplinary System (Annex D to the MOGC);
- a statement of expenses incurred with, possibly, a request to change the budget assigned to the Body;
- the identified improvement gaps and any difficulties that have arisen either in terms of internal behavior or events, or in terms of the Model's effectiveness;
- the corrective and improvement measures planned / proposed / implemented by the designated Body, upon notification of the SB, and their state of implementation.

Every 6 months, the SB submits a plan of activities planned for the following period to those who sign this Model.

The Body may send communications and may be requested to call in all circumstances in which its presence and professionalism are deemed necessary / opportune for the proper performance of the obligations imposed by the Decree.

Any specific meetings of the SB with the Board of Directors and with the Managers of the Units must be prepared with specific minutes. Copies of the related reports must be kept by the Supervisory Board in the designated rooms and in the specifically defined IT archive (see Section C.9).

In the company sphere, they must be communicated to the Supervisory Body through the "bidirectional" information flows required:

- at periodic intervals, the information / data / news identified by the Supervisory Body and requested by the individual Units of the Company by a mailbox; the deadline could be differentiated between the various Units and for the analytical timetable of the periodic flows, please refer to the annex;
- on an occasional ad hoc basis, any other information pertaining to the implementation of the Model in the "sensitive" areas of activity, as well as compliance with the provisions of the Decree, as indicated by the so-called "Circular episodic flows" (attachment No. 7).

In any case, all information relating to: - must be promptly and promptly transmitted to the Supervisory Body by the subjects highlighted in the circular mentioned above:

- measures and / or information from judicial police, or any other authority, from which the investigation of the offenses referred to in the Decree is carried out, with regard to the recipients of the Model;
- reports sent by the Company's employees in the event of the initiation of judicial proceedings against them for one of the offenses envisaged by the Decree;
- reports prepared by the corporate structures within their control activities from which facts, deeds, events or omissions can emerge with critical profiles with respect to the provisions of the Decree;
- news relating to the effective implementation of the Model at all company levels (for example, impossibility to adopt the procedures envisaged);
- the disclosure relating to the initiation of investigations aimed at ascertaining, and possibly sanctioning, the failure to comply with the principles of conduct and the

procedures provided for by the Model, as well as regarding any penalties imposed (as previously indicated);

- anomalies in the synthetic risk indicators relating to sensitive activities regarding the management of financial flows, possibly previously identified in the Model;
- accidents at work, training on safety issues and changes to the organization chart presented in the Risk Assessment;
- the motivated indication of the need to modify the aforementioned Procedures or other gender communication.

Any further contents of the report may be expressly requested, from time to time, by the Supervisory Body.

All employees, collaborators and members of the administrative body have the duty to report the commission or the alleged commission of the crimes, as well as any violation of the provisions of the Model and its annexes.

C.9. IT archive

Every information, report, report provided in this document is kept for a period of **10 years** in a special computer database by the Supervisory Board, without prejudice to compliance with the provisions on the confidentiality of personal data and their rights guaranteed in favor of the interested parties.

Access to the database is allowed exclusively to the Supervisory Body itself. The reports, including those of an unofficial nature, must be sent to the Supervisory Board by mail / e-mail or transcribed in a report after the interview and entered in the archives.

The reports, concerning any violation or suspected violation of the Model, carried out in written form, oral form or electronically, must therefore be collected and archived by the same.

The SB will act in such a way as to guarantee the reporters against any form of retaliation, discrimination or penalization (whistle-blowing phenomenon), also ensuring the confidentiality of the identity of the whistleblower, without prejudice to legal obligations and the protection of the rights of any Company or of the persons wrongly and / or wrongly accused.

The collaborators and all the external subjects but connected to the Present are also kept, within the activity carried out, to report **directly** to the SB the violations referred to in the previous point and for this reason this obligation **must be specified** in the contracts that bind such subjects to the corporate organization.

For all communications with the SB, the following e-mail box has
been set up:

isef@organismoodv231.it

C. INDEX OF THE ANNEXES TO THE MODEL

The following documents, identified as "Main Annexes" with the letters, are an integral part of this Model:

A.	<i>Code of Ethic</i>
B.	<i>Map of activities "at risk of crime"</i>
C.	<i>Behavioral procedures</i>
D.	<i>Disciplinary System</i>
E.	<i>List of the predicate offenses covered by the Decree</i>

To these are added the following documents identified as "Secondary Attachments", with the numbers:

1.	<i>Organization chart and Mansion</i>
2.	<i>Resolution approving the Model, appointing the SB and Visura</i>
3.	<i>Signatures of acknowledgment / receipt of the Model and attachments</i>
4.	<i>Delegations of power</i>
5.	<i>Register of System Violations 231</i>
6.	<i>Schedule of periodic information flows</i>
7.	<i>Circular episodic information flows</i>
8.	<i>Risks Rating document</i>
9.	<i>Training plan on the subject of the Decree and Model</i>
10.	<i>Regulations of the monocratic SB</i>

This Model has been drawn up
from the Board of Directors of **ISEF S.r.l.**
with the professional support of **Aspera Studio Associato**